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EDIE APPLE/BRUSSELS

MULTINATIONALS AND CORPORATE ETHICS: CHANGING ATTITUDES
(FOURTH OF FOUR-PART SERIES)
(VOICED VERSION IN TAPE LIBRARY)

ANNCR:

RECENT INVESTIGATIONS HAVE PRODUCED EVIDENCE THAT SOME OF THE WORLD'S GIANT CORPORATIONS -- THE SO-CALLED "MULTINATIONALS" -- HAVE ENGAGED IN UNETHICAL AND EVEN ILLEGAL BUSINESS PRACTICES. THESE REVELATIONS HAVE LED TO CRITICISM OF THE WHOLE FABRIC OF MULTINATIONAL BUSINESS VENTURES. FROM BRUSSELS, VOA'S EDIE APPLE, IN THIS (THE LAST OF FOUR) REPORT(S), LOOKS AT SOME OF THE CHANGES TAKING PLACE IN THE RELATIONSHIP BETWEEN MULTINATIONAL CORPORATIONS AND NATIONAL GOVERNMENTS.

VOICE:

ECONOMIC WRITER AND AUTHOR OF SEVERAL BOOKS ON MULTINATIONAL CORPORATIONS, RAINER HELLMAN, SEES A CHANGE IN ATTITUDES TOWARDS MULTINATIONAL CORPORATIONS IN EUROPE -- OR AT LEAST IN WHAT IS BEING SAID ABOUT THEM.

TAPE: CUT ONE -- HELLMAN

"SOME YEARS AGO YOU COULD THINK THAT THEY WERE REALLY UNWANTED INTRUDERS WHICH WAS NEVER TRUE. IT WAS ONLY THAT THE PEOPLE WHO EMPHASIZED THE RISKS OF THESE INVESTMENTS MADE MORE NOISE THAN THOSE WHO SAID, WELL, LOOK WHAT WOULD HAPPEN IF THEY ARE NOT THERE. NOW IT IS PROVED THAT THEY HAVE CREATED JOBS, INTERESTING INDUSTRIES WHICH NOBODY ELSE WOULD HAVE CREATED. LET'S SAY, THREE OR FOUR YEARS AGO, WHEN THERE WAS REALLY FULL EMPLOYMENT IN EUROPE, PEOPLE THOUGHT, WELL WE DON'T NEED THESE FOREIGN INDUSTRIES. BUT TODAY EVERYBODY SEES THAT ALSO IN EUROPE FULL EMPLOYMENT IS NOT SOMETHING WHICH IS GIVEN BY HEAVEN, BUT SOMETHING FOR WHICH YOU MUST INVEST, FOR WHICH YOU MUST HAVE INCENTIVES. AND NOW WHEREVER YOU GO, NEW INVESTMENT IS VERY WELCOME INDEED, SO ALSO FOREIGN INVESTORS."

VOICE:

MISTER HELLMAN SAYS PART OF THIS CHANGE, AS FAR AS UNITED STATES BASED MULTINATIONAL CORPORATIONS ARE CONCERNED, COMES FROM AN INCREASED RECIPROCITY OF INVESTMENT. SINCE EUROPEAN FIRMS INCREASINGLY ARE INVESTING IN THE UNITED STATES,

EUROPEANS DON'T FEAR FOREIGN DOMINANCE. THIS RECIPROCITY DOES NOT EXIST IN OTHER AREAS OF THE WORLD. BUT THESE COUNTRIES ARE FINDING WAYS TO AVOID BEING DOMINATED. FOR EXAMPLE, MEMBERS OF THE ANDEAN PACT -- SEVEN COUNTRIES IN LATIN AMERICA -- NOW INSIST ON A FIFTY-PERCENT SHARE IN ALL INTERNATIONAL INVESTMENTS. MISTER HELLMAN DISCUSSED THE PURPOSE OF THESE JOINT VENTURES AND THE ATTITUDE OF MULTI-NATIONAL BUSINESSMEN TOWARDS THEM.

TAPE: CUT TWO -- HELLMAN

"THEY ARE NOT TRYING TO KILL THESE INVESTMENTS; THEY ARE TRYING TO GET, SLOWLY, MORE INFLUENCE ON THESE INVESTMENTS. AND I THINK THAT A POLICY THAT WAS CONSIDERED AS HOSTILE IN THE SIXTIES, IS NOT AT ALL SO IN THE SEVENTIES. SOME FIVE YEARS AGO, I THINK, THE PRESIDENT OF A VERY IMPORTANT AMERICAN COMPANY STILL SAID, 'I WOULD NEVER INVEST IN ANY COUNTRY WITHOUT ONE HUNDRED PERCENT STAKE IN THE INVESTMENT.' I DON'T THINK THAT ANY TOP MAN IN AN AMERICAN COMPANY WOULD REPEAT THE SAME SENTENCE TODAY. BECAUSE THERE ARE LARGE PARTS OF THE WORLD WHERE YOU CAN NO LONGER INVEST WITH ONE HUNDRED PERCENT STAKE. FOR INSTANCE, EVEN IN SOME EASTERN COUNTRIES SUCH AS YUGOSLAVIA OR HUNGARY. THERE YOU CAN HAVE SOME FORM OF INVESTMENT. BUT NEVER IN THE FORM OF ONE HUNDRED PERCENT."

VOICE:

ONNIK TUYGIL IS THE EUROPE REGIONAL VICE-CHAIRMAN OF MONSANTO, A MULTINATIONAL CORPORATION THAT MANUFACTURES CHEMICALS, PLASTICS AND MAN-MADE FIBERS. HE ALSO FINDS A CHANGE IN RELATIONSHIPS BETWEEN MULTINATIONAL CORPORATIONS AND GOVERNMENTS.

TAPE: CUT THREE -- TUYGIL

"A MULTINATIONAL COMPANY LIKE ANY OTHER COMPANY HAS CERTAIN OBLIGATIONS TO THE GOVERNMENTS, THE STATE, THE SOCIETY IN WHICH IS LOCATED. THAT RELATION OF RESPONSIBILITY IS A CONSTANTLY EVOLVING ONE. AND THE RELATIONSHIP BETWEEN MULTINATIONAL SOCIETIES AND GOVERNMENTS IS ALSO AN EVOLVING

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ONE. IT IS EVOLVING WITHIN THE FRAMEWORK OF THE HEIGHTENED LEVEL OF EXPECTATIONS THAT HAVE DEVELOPED WITHIN THE WORLD, THE HEIGHTENED SOCIAL CONSCIOUSNESS THAT IS DEVELOPING IN THE WORLD. ALSO IN THIS RESPECT YES, MULTINATIONAL CORPORATIONS AND GOVERNMENTS ARE PERHAPS ACCELERATING THE RATE OF THEIR INVOLVEMENT WITH EACH OTHER.

"AND THERE ARE EVEN A NUMBER OF INTERNATIONAL MOVES SUCH AS THE ONE UNDERTAKEN BY THE OECD TO GIVE GUIDELINES TO LUBRICATE THE RELATIONS BETWEEN MULTINATIONAL CORPORATIONS AND THE GOVERNMENTS WHICH ARE HOSTS TO THEIR OPERATIONS AROUND THE WORLD BY SUGGESTING THAT BOTH SIDES OPERATE IN AN ACCEPTABLE FRAMEWORK OF SOCIAL RESPONSIBILITY, INDUSTRIAL RESPONSIBILITY AND FINANCIAL RESPONSIBILITY."

VOICE:

MISTER TUYGIL SEES THESE INTERNATIONAL CODES AS USEFUL IN SETTING STANDARDS. CARL WILMS-WRIGHT OF THE INTERNATIONAL FEDERATION OF FREE TRADE UNIONS PLACES FAR MORE EMPHASIS ON THE NEED FOR INTERNATIONAL CONTROL.

TAPE: CUT FOUR -- WILMS-WRIGHT

"WE DON'T THINK MULTINATIONALS ARE ESSENTIALLY EVIL OR THAT THEY ARE INTRINSICALLY BAD. WHAT WE DO THINK, WHAT WE FEEL, IS THAT THEY CAN PLAY A ROLE, BUT THAT ONE NEEDS A WIDER LEGAL AND SOCIAL FRAMEWORK IN ORDER FOR THEM TO PLAY THAT ROLE."

VOICE:

MISTER WILMS-WRIGHT FEELS THAT MULTINATIONAL CORPORATIONS HAVE AN IMPORTANT ROLE TO PLAY IN NATIONAL DEVELOPMENT. BUT, HE ALSO THINKS THAT NATIONAL GOVERNMENTS -- WITHOUT OUTSIDE HELP -- CANNOT HAVE ENOUGH CONTROL OVER THEIR RELATIONSHIP WITH THESE INTERNATIONAL BUSINESSES.

ANNCR:

WE'VE BEEN LOOKING AT SOME OF THE CHANGES TAKING PLACE IN THE RELATIONSHIP BETWEEN MULTINATIONAL CORPORATIONS AND NATIONAL GOVERNMENTS.

JS/PBM